

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AGR-05

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 SAJ-01 /092 W

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R 181321Z MAY 76

FM AMCONSUL MILAN

TO AMEMBASSY ROME

INFO SECSTATE WASHDC 4726

LIMITED OFFICIAL USE SECTION 1 OF 2 MILAN 1189

E.O. 11652: N/A

TAGS: ECON, PINT, IT

SUBJECT: CABLE FROM TREVISO

1. SUMMARY: CHRISTIAN DEMOCRATIC STRONGHOLD OF TREVISO HAS CHANGED SOCIALLY AND ECONOMICALLY IN RECENT YEARS. INCREASE IN STANDARD OF LIVING, GROWTH OF LABOR UNIONS, AND STUDENT ACTIVISM ARE CREATING PRESSURE UNKNOWN A GENERATION AGO. SIGNS OF ECONOMIC RECOVERY NOW APPEARING. (RECESSION IN TREVISO WOULD HAVE BEEN WORSE BUT FOR AGRICULTURAL BACKSTOP TO LOCAL ECONOMY.) UNION LEADERS CLAIM INDUSTRIAL RELATIONS GOOD, BUT INDUSTRIALISTS DIFFER. DC ATTEMPTING TO REVITALIZE LOCAL PARTY AND APPEAL TO YOUNG VOTERS. THEY COMPLAIN THAT NATIONAL SCANDALS, ESPECIALLY LOCKHEED, HURT PARTY SERIOUSLY. SOCIALISTS DISSATISFIED WITH DC PERFORMANCE AND PREDICT SWING TO LEFT BOTH NATIONALLY AND LOCALLY. SOME LOCAL LEADERS PREDICT DC WILL MAINTAIN PRESENT POSITION IN NATIONAL ELECTIONS, BUT OTHERS BELIEVE PCI WILL TAKE VOTES FROM DC AND MIDDLE PARTIES. IN GENERAL, AREA WELL ADMINISTERED, ECONOMY LIKELY TO MAKE STRONG COMEBACK, SOCIAL FABRIC STRONGLY WOVEN. CLOSE SUMMARY.

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2. ECONOMIC OFFICER MET MAY 6-7 WITH PREFECT, PRESIDENT

OF PROVINCIAL ADMINISTRATION, MAYOR, DC AND PSI
PROVINCIAL SECRETARIES, LOCAL BANK PRESIDENT, CISL AND
UIL PROVINCIAL SECRETARIES, AND CHAMBER OF COMMERCE AND
INDUSTRIAL ASSOCIATION REPS.

3. PRIMARILY AGRICULTURAL STRUCTURE OF TREVISO ECONOMY
HAS SHIFTED TO PREDOMINANCE OF LIGHT INDUSTRY DURING LAST
15 YEARS. INDUSTRY NOW CHARACTERIZED BY SMALL FIRMS
AVERAGING 100 EMPLOYEES; LARGEST FIRM (APPLIANCE
MANUFACTURER) EMPLOYS 4000. SOME OF SMALLER TOWNS HAVE
ONLY ONE INDUSTRY. WHEN IT HAS HARD TIME, WHOLE TOWN
SUFFERS, CONDITION EXACERBATED BY WORKERS' STRONG
ATTACHMENT TO HOME AREAS WHICH MAKES THEM UNWILLING TO
RELOCATE DURING BAD TIMES. RAPID INDUSTRIALIZATION AND
CONCURRENT FAST RISE IN INCOME HAVE CREATED EXPECTATIONS
OF CONTINUOUS GROWTH, ACCORDING TO DC PROVINCIAL PRESIDENT.
WHEN RECESSION CAUSED TEMPORARY HALT IN GROWTH, PEOPLE WERE
ALL THE MORE DISSATISFIED.

4. WORLD RECESSION SEVERELY HURT EXPORT-ORIENTED
TREVISIAN INDUSTRY. (MUCH OF LOCAL PRODUCTION, SUCH AS
SKI AND MOUNTAINEERING BOOTS AND SPORTS CLOTHES, IS
DESTINED FOR EXPORT.) SEVEN FIRMS FAILED, OF WHICH
LARGEST HAD 500 EMPLOYEES. LARGEST CLOTHING FACTORY
WAS SOLD BY FORMER AMERICAN OWNER TO ITALIAN STATE
AGENCY WHICH RESCUES FAILING FIRMS FROM CLOSURE.
MAKING SITUATION WORSE WAS RELATIVE YOUTH OF MOST
INDUSTRIAL FIRMS, SOURCE OF FINANCIAL WEAKNESS. LEADING
LOCAL BANKER STRESSED NEED FOR OUTSIDE CAPITAL (AND
PREDICTED IT WOULD COME FROM GERMANY). SINCE MANY
FACTORY WORKERS ARE PART TIME FARMERS, INDUSTRIAL
ABSENTEEISM HAS RUN TO SIXTEEN PERCENT (WHICH IS NOT
BAD COMPARED TO OTHER AREAS) AS WORKERS STAYED HOME
TO CARE FOR CROPS.

5. BUSINESS, POLITICAL LEADERS, INDUSTRIALIS, AND LABOR
LEADERS AGREE LOCAL ECONOMY SHOWING SIGNS OF RECOVERY.
PRODUCTION AND SALES ARE UP COMPARED TO SAME PERIOD IN
1975. HOURS PAID OUT OF GOVERNMENT-SUBSIDIZED WAGE
SUPPLEMENT FUND STARTED DECLINING LAST MONTH AFTER
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GROWING FOR PAST YEAR. UNEMPLOYMENT IN PROVINCE CURRENTLY
ABOUT 5 PERCENT. EXPORTS, ESPECIALLY TO US AND GERMANY,
ARE IMPROVING. PEPPERY OLD PRESIDENT OF MAJOR LOCAL
SAVINGS BANK AND REGIONAL MEDIUM TERM LENDING AGENCY,
MAYOR FOR 15 YEARS, COMMENTED THAT SAVINGS, MOSTLY
FROM FAMILIES, CONTINUED, ALBEIT AT REDUCED RATE,
THROUGHOUT RECESSION. NOW, HE SAID, BUSINESS LOAN
DEMAND IS THREE TIMES GREATER THAN LAST YEAR, SHOWING

THAT "LOCAL BUSINESSMEN STILL HAVE FAITH, IN WHAT I
DON'T KNOW."

6. PROVINCIAL SECRETARIES OF BOTH UIL AND CISL SAID LOCAL
INDUSTRIAL RELATIONS GOOD. THEY PRAISED INDUSTRIALISTS'
ASSOCIATION PRESIDENT AS ENLIGHTENED BUSINESS LEADER AND
ALSO HAD KIND WORDS FOR PREFECT, WHO FREQUENTLY CALLS
BUSINESS AND LABOR REPS TO PREFECTURE FOR RESOLUTION OF
PROBLEMS.

7. INDUSTRIALISTS DESCRIBED SITUATION DIFFERENTLY. THEY
SAID MOST DIFFICULT UNION IS CISL, WHOSE EXTRAPARLIAMENTARIANS
WERE VERY DISRUPTIVE UNTIL TIGHT JOB MARKET SCARED THEM
SOMEWHAT. LOCAL CISL HEAD ADMITTED EXTREME LEFT LOTTA
CONTINUA HAS IN PAST CAUSED PROBLEMS OUT OF PROPORTION
TO SMALL NUMBERS BUT SITUATION HAS EASED, THOUGH THEY
REMAIN A POTENTIAL THREAT. SECRETARY EXPRESSED CONCERN
ABOUT RADICALISM OF STUDENTS, ESPECIALLY THOSE IN TRADE
SCHOOLS. AS FOR UIL, INDUSTRIALISTS AGREED WITH CISL
REP THAT THAT UNION NOT VERY IMPORTANT IN THEIR PROVINCE.

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NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

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R 181321Z MAY 76

FM AMCONSUL MILAN

TO AMEMBASSY ROME

INFO SECSTATE WASHDC 4727

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8. CISL PROVINCIAL SECRETARY SAID INTER-UNION RELATIONS
POOR. HE SAID THAT, HIS UNION HAVING DECIDED TO KEEP DC
AT A DISTANCE, IT INSISTS CGIL PUT PCI AT ARMS LENGTH

BEFORE TWO UNIONS CAN COOPERATE WITH ONE ANOTHER.
SECRETARY, DEVOUT CATHOLIC, DISTRUSTS COMMUNISTS,
QUESTIONS WHETHER ONCE IN GOVERNMENT THEY WOULD REMAIN
DEVOTED TO PLURALISM.

9. ALTHOUGH DC IS FAR AND AWAY LARGEST PARTY IN TREVISO,
(WITH 45 PERCENT OF VOTE IN CITY), CITY EXECUTIVE IS
LEFTIST COALITION (PCI, PSI, AND PSDI) PLUS LONE
REPUBLICAN. (HE IS FIRST NON-DC IN THAT POSITION SINCE
WAR, ELECTED BECAUSE OF GREAT PERSONAL POPULARITY.)
PROVINCIAL EXECUTIVE, ON OTHER HAND, IS WHOLLY DC.

10. NEW FACES ASPECT OF DC RENEWAL SEEMS ALREADY TO HAVE
OCCURRED. MORE THAN HALF OF DC LOCAL OFFICIALS ELECTED
IN JUNE 1975 WERE NEW, WITH MAJORITY UNDER 30 YEARS OF
AGE. IN SPITE OF THIS, CISL PROVINCIAL SECRETARY
CLAIMED THAT SAME PEOPLE WHO HAD CONTROLLED PARTY FOR
YEARS CONTINUED TO DO SO. ACCORDING TO DC PROVINCIAL
SECRETARY, FACTIONALISM IS RAMPANT IN LOCAL PARTY.
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LARGEST GROUP SUPPORTS FANFANI, SECOND LARGEST ARE
DOROTEI, WHILE SMALL GROUP OF LEFTISTS FAVOR DONAT CATTIN.
SECRETARY COMPLAINED THAT FUNDING FROM ROME TOTALLY
INADEQUATE. HE SAID DC HAS BEEN HURT LOCALLY BY HIGH
UNEMPLOYMENT IN VITTORIO VENETO AND ANOTHER PROVINCIAL
TOWN, THOUGH HE DOESN'T EXPECT DC TO LOSE MUCH IN
COMING ELECTIONS COMPARED TO JUNE 1975. ON LOCAL LEVEL,
HE PREDICTED PCI WILL CONTINUE TO GAIN IN FUTURE. IN
HIS OPINION, PSI HAS PEAKED AND MINOR PARTIES WILL
DIMINISH. MSI WILL MAKE SOME SMALL GAIN.

11. BOTH PRESIDENT OF PROVINCE AND PRESIDENT OF
INDUSTRIALISTS' ASSOCIATION SAID LOCKHEED SCANDAL HAD
GRAVELY DAMAGED DC. INDUSTRIALISTS' PRESIDENT SAID
THEY COULD NOT UNDERSTAND TIMING OF REPORT ON LOCKHEED
ACTIVITIES, WORST POSSIBLE FOR DC. HE SAID DAMAGE
COMPOUNDED BY LEAVING CULPRITS NAMELESS, THUS BESMIRCHING
REPUTATIONS OF ALL NATIONAL LEADERS.

12. YOUNG, AGGRESSIVE LEADERS OF LOCAL PSI COMPLAINED
DC HAS NOT IMPROVED, THAT SCHOOLS AND PUBLIC TRANSPORTATION
INADEQUATE, AND AGRICULTURAL AND INDUSTRIAL PLANNING LACKING.
PSI PROVINCIAL SECRETARY CRITICIZED STATE INTERVENTION IN
FAILING FIRMS AS AIMING ONLY AT PRESERVATION OF JOBS WHILE
IGNORING NEED TO RESTRUCTURE FIRMS TO MEET CHANGED MARKET
CONDITIONS.

13. DESPITE THE CRITICISM, THINGS IN TREVISO NOT GOING BADLY.
ECONOMIC STRUCTURE OF PROVINCE BECOMING MORE DIVERSE,

INCREASING EMPLOYMENT OPPORTUNITIES AND RAISING STANDARD
OF LIVING. NATURE OF NEW INDUSTRY AVOIDS POLLUTION
PROBLEMS AS WELL AS OVER-DEPENDENCE UPON A FEW LARGE
FIRMS. CHRISTIAN EMOCRATS' HOLD ON AREA LESSENING
SLIGHTLY AS NEW IDEAS ARISE, NURTURED BY CHANGES IN
LIFE STYLES, BUT LOCAL PARTY STILL VIGOROUS, ABLE
TO CHANGE AT LEAST ON SURFACE. GOOD ADMINISTRATION
IS TRADITION HELD OVER FROM AUSTRO-HUNGARIA EMPIRE
AND AS FAR BACK AS VENETIAN REPUBLIC. IN TOWN OF
TREVISO, ONE SENSES CLEANLINESS, ORDER, PROSPERITY,
THINGS GOING SMOOTHLY IN GENERAL. ESPECIALLY NOTEWORTHY
IS GENTLEMANLY CONDUCT OF ADVERSARY RELATIONSHIPS,
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ABILITY OF CONTENDERS FOR POWER TO DIFFERENTIATE PERSONAL
CHARACTER FROM POSITION.FINA

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